GENDIS INC.

Annual Report
For the year ended January 31, 2009

COMPANY PROFILE

The evolution of Gendis Inc. dates back to 1939 with the founding of General Distributors, an importing distribution firm. The Company was incorporated as General Distributors of Canada Ltd. in November 1962, and was subsequently re-named Gendis Inc. in 1983.

Through most of its recent history, the Company had been principally involved in the retail merchandising industry. On December 16, 2004, the Company sold its investment in Saan Stores Ltd. and consequently exited the retail general merchandising industry.

Gendis Inc. is currently active in real estate leasing and management through its division, Gendis Realty, and in investment management.

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ANNUAL MEETING OF SHAREHOLDERS

The Annual Meeting of Shareholders will be held Friday, June 5, 2009 at 11:00 a.m. CDT at the offices of Gendis Inc., 1370 Sony Place, Winnipeg, Manitoba

Management's Discussion & Analysis
For the 4th quarter and year ended January 31, 2009

***NOTICE** – Presentation and Review of the Management's Discussion & Analysis*

This annual and fourth quarter Management's Discussion and Analysis should be read in conjunction with the audited annual financial statements for the year ended January 31, 2009. Financial information presented in this Management's Discussion and Analysis have been derived from financial statements denominated in Canadian dollars that are prepared in accordance with accounting principles generally accepted in Canada and follow the same accounting policies and methods of application as the audited annual financial statements at January 31, 2009. This Management's Discussion & Analysis has been reviewed and approved by the Board of Directors of Gendis Inc. on April 13, 2009.

***NOTICE** – Forward-Looking Information*

This Management's Discussion and Analysis may contain forward-looking statements. These statements are based on certain assumptions and analyses made by the Company in light of its experience and perception of historical trends, current conditions and anticipated future developments. Forward-looking statements should not be read as guarantees of future performance and will not necessarily be accurate indications of whether such performance or results will be achieved. There are risks and uncertainties that could cause actual performance or results to differ materially from those expressed in the forward-looking statements. Factors that could cause such differences include general risks relating to the real estate and investments and the matters described under "Risk Management" in the notes to the annual financial statements for the year ended January 31, 2009.

***NOTICE** – CSA National Instrument 52-109 – Certification of Disclosure in Issuer's Annual and Interim Filings*

The Chief Executive Officer and the Chief Financial Officer have concluded, based on their evaluations, that the Company's disclosure controls and procedures are sufficiently effective to provide reasonable assurance that material information has been disclosed in the Company's annual filings for the year ended January 31, 2009.

The Chief Executive Officer and the Chief Financial Officer have concluded, based on their evaluations, that the Company's internal controls over financial reporting have been sufficiently designed and are sufficiently effective to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's Generally Accepted Accounting Principles with the following identified material weaknesses:

- *Effective internal control requires that the functions of authorizing transactions, recording transactions, control over the custody of assets and the account reconciliation process be conducted by different personnel. There are insufficient personnel to accomplish this requirement. The Company has a small staff complement of seven employees and accordingly it is impractical to achieve proper segregation of incompatible functions in all transaction cycles.*
- *The Company employs only one individual with the requisite financial skills and competence to determine the appropriate critical accounting estimates in accordance with Generally Accepted Accounting Principles for the compilation of the Company's financial statements. As a result, the calculations and conclusions are not independently verified by other personnel in two critical accounting processes, namely:*
  1. *The determination of the accounting and disclosure of the investment balances and income from flow-through entities investments and*
  2. *The determination of the accounting for the current and future income tax provision, balances and related ancillary note disclosure.*

The limited staff complement requires that the Company's senior management actively participate in most aspects of each transaction cycle. Consequently there is an inherent risk of management overriding controls and procedures. The nature of an internal control weakness from the lack of segregation of incompatible functions could be so pervasive that a material error could occur and not be detected on a timely basis in any transaction cycle. Also, the

lack of independent verification of the two critical accounting processes noted above could result in a material error in investment balances, income from flow-through entities investments, the current and future income tax provision, balances and related ancillary note disclosure not being detected on a timely basis. No changes were made to internal controls over financial reporting during the year ended January 31, 2009 that have materially affected, or are reasonably likely to materially affect, internal control over financial reporting.

Potential solutions to these material internal control weaknesses would ordinarily involve hiring additional staff or engaging independent qualified accountants on a consulting basis. At this time, the Board of Directors has determined that these remedies are not cost effective in relation to the risk of material misstatement.

The Chairman, President & Chief Executive Officer and the Vice President, Finance & Comptroller have filed certificates in SEDAR as required under National Instrument 52-109 with guidance on CSA Staff Notice 52-316 regarding assertions on material facts, assertions on the fair presentation of the Company's financial statements, acknowledgements on the design and effectiveness of disclosure controls and procedure, and of internal control over financial reporting.

The Company's Independent Auditors have reported to shareholders, based on Canadian Generally Accepted Auditing Standards, their opinion on the fair presentation of the Company's financial statements in accordance with Canadian Generally Accepted Accounting Principles.

Additional information and the Annual Information Form

The Company has adopted an Investment Policy that is included in its Annual Information Form. Additional information about Gendis Inc. and the Company's Annual Information Form are available on SEDAR at www.sedar.com.

Selected Annual Information for the Last Three Years

(in thousands of dollars - except per share)	2009	2008	2007
Revenue	3,311	3,162	2,268
Loss for the year	(7,228)	(5,089)	(33,172)
Loss per share – basic and diluted	(0.51)	(0.35)	(2.18)
Total assets	37,099	52,836	50,719
Long-term liabilities	706	—	—
Dividends per share	—	—	—

The variation between years in revenue and earnings are noted as follows:

The increase in revenue from fiscal 2008 to 2009 of $0.1-million is primarily due to $0.5-million from increased tenancy in the Sony Place Facility, $0.2-million of reduced share of loss of Thunder Energy offset by $0.5-million of reduced share of earnings of Fort Chicago.

The increase in the loss from fiscal 2008 to 2009 of $2.1-million is primarily due to realized losses net of fair value changes of investments of $2.3-million, a reduction in future tax recoveries of $1.5-million from the change in the valuation allowance, the initial recognition of a post employment benefit obligation of $0.7-million, an increase in expenses in the realty operation of $0.3-million from the increased tenancy, offset by the non recurrence of the loss on sale of a note receivable of $2.2-million in 2008, an increase in revenue of $0.1-million, a reduction in interest expense of $0.1-million from reduced interest rates partially offset by increased borrowing, and a gain on sale of real estate of $0.1-million in 2009.

The increase in revenue from fiscal 2007 to 2008 of $0.9-million is primarily due to $0.7-million from increased tenancy in the Sony Place Facility, $0.8-million of reduced share of loss of Thunder Energy offset by $0.1-million from declines in tenancies that provide percentage rentals and $0.5-million of reduced share of earnings of Fort Chicago.

The decrease in the loss from fiscal 2007 to 2008 of $28.1-million is primarily due to the increase in revenue, the non recurrence of the write-off of the deposit on income tax assessment of $28.4-million recorded in fiscal 2007, the impairment charge for investments of $3.3-million recorded in fiscal 2007 with no equivalent in fiscal 2008, an increase in future tax recovery of $2.2-million from the change in the valuation allowance and an increase in revenue of $0.9-million offset by the loss on sale of a note receivable of $2.2-million, a reduction to the gains on sale of investments of $0.3-million, an increase in interest expense of $0.2-million from increased borrowing and increased interest rates, and the decline in the fair value of investments of $3.8-million for fiscal 2008. New accounting standards for financial instruments require that the Company record the change in the fair value of its investments for fiscal 2008. The change in the fair value of investments is required to be recorded on a prospective basis and accordingly was not applicable for the fiscal year ended 2007.

Summary of Quarterly Results

The following is a summary of information for the eight most recently completed quarters:

Quarters Ended (in thousands of dollars except per share)	Total Revenue	Net Earnings (Loss)	Net Earnings (Loss) per Share Basic and Diluted
January 31, 2009	408	(658)	(0.05)
January 31, 2008	938	(292)	(0.02)
October 31, 2008	1,164	(5,861)	(0.41)
October 31, 2007	873	(3,294)	(0.23)
July 31, 2008	763	(1,869)	(0.13)
July 31, 2007	970	(722)	(0.05)
April 30, 2008	975	1,160	0.08
April 30, 2007	381	(781)	(0.05)

The variation between quarters in revenue and earnings are noted as follows:

The inter-quarter volatility of revenue is primarily from the fluctuation in the share of earnings of Fort Chicago and from increased tenancy in the Sony Place Facility. In addition to revenue volatility, the inter-quarter fluctuation of earnings is due to the net change in the market value of investments due to stock market turbulence this year and the recognition of post retirement benefit obligations in the 3rd quarter of fiscal 2009 and the provision for loss on sale of a note receivable in the 3rd quarter of fiscal 2008.

Corporate operations

In the 4th quarter, investment income declined $0.8-million from the comparable prior year quarter, $0.5-million year-to-date, net of inter-segment revenues, primarily from the share of reduced earnings from Fort Chicago, the earnings contribution from Yellow Pages acquired in 2009 and the cessation of the share of loss from Thunder Energy Trust as that investment was disposed of in the 2nd quarter last year. Expenses were essentially even with the comparable prior year quarter and year-to-date periods.

The following table presents purchase and sales activity of the investment portfolio for the quarter and year-to-date:

Security (in thousands of dollars)	4th quarter purchases	 sales	year-to-date purchases	 sales
Alberta Clipper	—	—	—	627
Aecon	—	—	555	544
Ember	—	7	5	128
FNX	—	—	—	960
Fort Chicago	—	1,116	—	2,673
Opti	—	—	—	1,052
Royal Bank	—	—	234	895
Scotiabank	—	—	582	1,284
Starbucks	—	—	—	334
WesternZagros	—	—	253	141
Yellow Pages	—	180	1,879	1,320
Other investments	—	—	314	192
Total	—	1,303	3,822	10,150

The following table presents the recognized gain (loss) on sale including any provision for loss and the fair value change for the quarter and year-to-date, and the year end fair value of the investment portfolio of exchange-traded securities:

Security (in thousands of dollars)	4th quarter Recognized gain (loss)	 Fair Value Change	year-to-date Recognized gain (loss)	 Fair Value Change	Fair Value Jan. 31 2009
Alberta Clipper	—	—	(1,987)	1,074	—
Ember	(60)	38	(694)	(42)	82
FNX	—	—	(1,591)	(370)	—
Fort Chicago	(75)	(814)	294	(4,931)	15,674
IMRIS	—	(35)	(12)	(143)	77
INV	—	33	(171)	(160)	82
Opti	—	—	(738)	68	—
Starbucks	—	—	(309)	169	—
WesternZagros	—	—	(144)	11	—
Yellow Pages	(122)	64	(484)	(6)	64
Other investments	—	—	(199)	27	—
Total	(257)	(714)	(6,035)	(4,303)	15,979
Investments:					
Held-for-trading	(60)	35	(5,476)	361	241
Available-for-sale	(197)	(749)	(559)	(4,664)	15,738
Total	(257)	(714)	(6,035)	(4,303)	15,979

Subsequent to year-end to April 13, 2009, the Company experienced declines in the fair value of its investments of approximately $0.9-million in investments available-for-sale. The Canadian equity market trended lower in the 4th quarter and subsequent to the year-end as the global financial system wades through a severe economic slowdown substantially instigated by the collapse of the U.S. housing market. The Gendis portfolio was not immune to the poor performance of overall equity markets as many of the Company's holdings have traded in tandem with the pullback of the various sector market indices. In the turbulence of this market meltdown, the Company committed to a broad portfolio liquidation of its held-for-trading investments. The substantial sell-off was required to meet

debt margin requirements as the fair value of the collateral for the margined debt fell precipitously in September and October 2008. The Company is also committed to a measured reduction of its holdings in Fort Chicago as a debt reduction tactic.

Fort Chicago provides the Company with a regular source of investment income and cash from regular monthly distributions. The Company's investment in Fort Chicago is a significant investment. Although the Company's holdings only represent less than 2% of the Unit capital of Fort Chicago at Gendis Inc.'s year-end, the investment represents 42% of the Company's total assets, 29% of its revenue and provides 59% of the cash flow to cover cash expenses (i.e. excluding depreciation) and interest. Although the holdings of Fort Chicago represent compelling long-term value, the Company has targeted to sell sufficient units of its investment in Fort Chicago in order to reduce its bank credit facility to under $10 million by the renewal date, July 31, 2009. Summarized financial information on Fort Chicago is as follows:

in thousands of dollars	Dec. 31, 2008	Dec. 31, 2007
Total assets	3,127,679	2,871,364
Total liabilities	2,327,092	2,115,911
Revenue	701,430	589,223
Net earnings	61,499	86,157
Other comprehensive income (loss)	94,786	(31,200)
Distributions paid	132,942	122,886
Gendis' proportionate interest	1.5%	1.8%

For the 4th quarter and the year, although below last year's levels, Fort Chicago's earnings from operations and other comprehensive income produced solid results and cash flows after considering the effect of asset impairment losses from goodwill write-downs in its power assets. The unit price of Fort Chicago was not immune to the recent turbulence in the financial markets and the broad economic slow down, which has triggered a global revaluation of asset values. Fort Chicago and its operating businesses maintain prudent capital structures and appear well positioned to withstand the impact associated with the current economic environment. Forecast cash flows remain in excess of distributions. Fort Chicago appears to have sufficient liquidity to meet its forecast capital requirements, which are relatively modest as most of its projects are substantially complete or have already been equity funded. Substantially all of Fort Chicago's consolidated debt is long-term with amortization periods that are designed to provide for the orderly repayment of all principal over the estimated useful economic life of its assets. A significant portion of the operations and cash flows of Fort Chicago's businesses are denominated in U.S. dollars. The recent depreciation of the Canadian dollar relative to the U.S. dollar will increase the Canadian value of these assets and cash flows, although this increase is partially offset by U.S. denominated debt, which serves as a partial hedge against movements in the exchange rate.

Fort Chicago's Alliance pipeline business, which is underpinned by long-term contracts, is expected to continue to generate stable earnings and cash flows. Fort Chicago continues to advance several construction projects to incrementally build out its existing Alliance and Aux Sable infrastructure to leverage the value of these assets through higher NGL recoveries. While the NGL business enjoyed record profits during the first three quarters of the year, 4th quarter results were tempered by lower fractionation margins, which have been impacted by the dramatic decline in the price of crude oil.

Fort Chicago has indicated that there is a high probability that it will convert from a flow-through entity to a corporate form of organization by 2011. Fort Chicago has not indicated what it anticipates will be its annual distribution to shareholders after considering the tax regime and other factors respecting capital maintenance at that time. In the meanwhile, Gendis Inc. will be assessing the impact on its cash flow of the possible Fort Chicago's distribution scenarios.

Gendis' private equity investment, OSUM, closed a private equity financing of $275-million at a price of $10.50 per share in August 2008. Lead investors in the financing included Warburg Pincus LLC and Blackstone Capital Partners V LP. Warburg Pincus LLC and Blackstone Capital Partners V LP are two of the largest private equity

firms in the world. Participation of these two firms in the recently closed round of financing represents a significant endorsement to all of OSUM's stakeholders. Gendis did not participate in this round of financing. At April 13, 2009, Gendis has invested a total of $4.9-million in OSUM and owns 2,047,619 shares at an average cost of $2.42 per share. Based on this recent financing at $10.50 per OSUM share, Gendis would have an unrealized gain of $16.6-million or $1.17 per Gendis share, before income taxes. The $10.50 per OSUM share financing price should only be used as a proxy for fair value of Gendis' investment in OSUM in August 2008, as there is no exchange traded market for OSUM shares to validate fair value at any future reporting period subsequent to August 2008 as exchange-traded markets have been significantly volatile since then.

OSUM appears well positioned to maintain operational momentum, even though turbulent markets and economic uncertainty have caused difficulties for some other Canadian oil sands projects. Having obtained sufficient capital to fund its near term development plan, OSUM appears well equipped to add increasing share value, even during the current economic downturn. OSUM's cash balances that are waiting to be deployed are maintained in secure investments, ensuring OSUM's ability to carry out its plans into the future. Under current conditions, with decreased commodity prices and access to capital restricted, OSUM's financial strategy is to exercise discretion, ensuring that resources are prudently allocated to move projects forward to commercial production to maximize the rate of return on capital employed. OSUM also intends to look at selective opportunities that may result from these difficult economic times. With substantial working capital in place and with additional capital in callable common share purchase warrants accessible, OSUM appears well positioned to achieve its planned milestones for next year.

The Company was a participant in a former subsidiary's employee benefit program that includes participating in a group life insurance policy for eligible retired employees of the Company and the Company's former subsidiaries who retired prior to December 10, 2004. To be eligible, the retired employee had to continue in an employee paid declining insurance coverage for 5 years after retirement. In August 2008, the former subsidiary was declared bankrupt and the insurance coverage ceased. The Company considers it has an obligation to provide death benefit coverage in the absence of a group life insurance policy, the volume of which is estimated at $1.5 million, $5,000 per eligible retired employee. The Company has recorded an expense of $0.7-million which is the present value of this volume of benefit after applying mortality factors and a 7.7% discount interest rate. The effect on future earnings will be based on the annual imputed interest cost of the obligation, interest rate changes and the effect of the declining obligation due to mortality. A decrease of 1% in the interest rate would result in an increase in the obligation and a decrease in earnings by less than $0.1-million.

Last year, the Company recorded a loss of $2.2-million against its note receivable and accrued interest with Saan Stores Ltd. In the 4th quarter last year, the Company sold the note receivable and accrued interest for $100,000.

Realty operations

Realty revenue increased $0.4-million over the comparable prior year quarter and $0.6-million year-to-date, primarily due to the new tenancy in its Sony Place facility complex. Realty expenses increased $0.1-million over the comparable prior year quarter and $0.3-million year-to-date also primarily due to the new tenancy in its Sony Place facility complex.

In the 1st quarter ended April 30, 2008, the Company completed negotiations to fully lease the remaining space in its Sony Place facility complex. Rent and recoverable occupancy costs from this tenancy commenced September 1, 2008 and are expected to provide $1.5-million in annual cash flow and revenue with an associated $0.2-million increase in annual operating costs and amortization. Alterations and leasing costs to the Sony Place facility were $2.7-million to secure this tenant for a 10-year lease with an option to renew for an additional 5 years.

At April 13, 2009, the Company owns three real estate properties that are solely leased as retail outlets, two properties leased as retail outlets along with other commercial tenants and a fully leased 379,000 square foot facility complex. Subsequent to year end but prior to April 13, 2009, the Company sold a vacant property for $0.3-million. Next year, the gain on sale of this property and the associated expense reductions from property taxes and operating costs could be approximately $0.1-million.

Interest expense

Interest expense was incurred for borrowings on credit facilities with its banker, from a margin account with its investment broker and a revolving loan from a related party. Access to the bank credit facility may be by direct loan or by banker's acceptance. The interest rate on direct loans is the prime rate as established from time to time by the bank plus 0.15%. The acceptance fee on banker's acceptances is 1.05% while the interest rate on a banker's acceptance is determined by the prevailing market conditions, typically 170 basis points below bank prime. The interest rate on the broker margin account is approximately bank prime rate plus 1.0%. The interest rate on the related party revolving loans is bank prime. Interest expense decreased \$0.1-million for the 4th quarter from last year and year-to-date. Most of the decrease for the 4th quarter is due to a decrease in average borrowings. The average borrowing for the 4th quarter was \$13.2-million, a decrease of \$3.1-million from the 4th quarter last year. The decrease for the year was primarily from reduced interest rates partially offset by an increase in average borrowing for the year. The average borrowing for the year was \$17.2-million, an increase of \$2.2-million from last year.

Income taxes

The income tax recovery of \$0.1-million for the 4th quarter and a \$0.1-million income tax provision for the year primarily represents an increase to the future tax recovery from an evaluation of the expected realization of non-capital and net capital tax loss carry forwards net of foreign withholding taxes paid on Gendis' share of foreign investment income earned by Fort Chicago and distributed to Gendis.

The Company is in dispute with the Canada Revenue Agency concerning income tax on the sale of shares of an investment in fiscal 1996, which was assessed in fiscal 2002. The Company paid the entire amount of the income taxes and interest in the amount of \$28.4-million in that year. The Company has filed a Notice of Objection with the Canada Revenue Agency. Due to uncertainty of the outcome, the Deposit on Income Tax Assessment of \$28.4-million was written-off during the year ended January 31, 2007. On October 3, 2007, the Canada Revenue Agency confirmed these re-assessments after the Supreme Court of Canada refused to grant the Company's Leave to Appeal on jurisdictional grounds. The merits of the Company's position had been evaluated in consultation with legal counsel and the Company will continue to pursue the re-assessments on substantive grounds. On December 27, 2007, the Company filed a Notice of Appeal in Manitoba Court of Queen's Bench to void the re-assessments. The Minister of National Revenue for Canada filed a Reply to the Notice of Appeal on February 22, 2008. If the Company is successful in pursuit of this matter, this amount plus additional interest will be refunded and would be recorded in the year of settlement.

The Company is deemed to be a "Subject Corporation" for purposes of the Income Tax Act. Accordingly, in the 4th quarter, the Company incurred Refundable Part IV tax on its dividend income of \$20,000 compared to \$78,000 last year. This tax is recorded as a direct charge to Retained Earnings and is recoverable upon the payment of dividends by the Company to its shareholders.

Future Tax Asset

As at January 31, 2009, the Company has recognized \$2.7-million of future tax asset from expected tax loss carry-forward utilization from the inherent tax savings from the excess of the estimated market value of its real estate properties over the cost basis for tax purposes. At January 31, 2009 there is a potential of \$4.9-million of future tax assets that have not been recognized, as the Company is not reasonably assured of recovery as there is no stable earnings history from real estate operations or investment trading activities to provide reasonable assurance of sufficient taxable earnings in the future. The recognition of a Future Tax Asset associated with tax loss carryforwards is contingent upon a resumption of earnings from the real estate operations from full occupancy of its properties and from earnings on the generation of gains on investment sales in the future. Volatility in the estimated market value of real estate and the market price of securities affects the calculation of the unrealized gain that in turn affects the determination of the Future Tax Asset to be recognized.

Capital Requirements and Liquidity

As at April 13, 2009, the Corporate segment has utilized $11.1-million of its credit facility with its banker with a remaining additional available borrowing capacity of $2.0-million. The credit facility was renewed in the 2nd quarter of the year. The Company anticipates that the credit facility would be renewed on July 31, 2009 and on an annual basis going forward, generally on the same terms and conditions, which the Company considers adequate for its needs.

The Company has arranged for borrowing by way of a brokerage margin account with its broker, RBC Dominion Securities that provides for a borrowing capacity of 50% of the market value of securities with a bid price in excess of $5 per share, 35% of securities with a bid price between $3 and $5 per share and 70% for securities that have an option market. At April 13, 2009, the borrowing amount under this credit facility was $0.2-million with a remaining additional available borrowing capacity of $0.2-million.

The Company has arranged for borrowing from a related party to the Chief Executive Officer of the Company, $2.1-million on a revolving unsecured basis. In the 4th quarter of the year, another company that is controlled by the Chief Executive Officer of Gendis Inc., has provided a $3.5-million guarantee to the Gendis Inc.'s banker. The Executive Vice President of Gendis Inc. has a significant equity interest in that company. The increase in related party borrowings and the loan guarantee are to assist the Company in meeting cash flow requirements and margin requirements associated with the substantial market value declines in the Company's portfolio of investments and with the cost of renovations to its Sony Place facility that occurred in the 2nd and 3rd quarter of the year. The Company had planned to fund the real estate renovation expenditures for the Sony Place facility complex from investment asset sales. At April 13, 2009, the borrowing amount under a related party credit facility was reduced by $0.3-million to $1.8-million. The related party credit line expires on January 31, 2010. The Company intends to reduce the related party loan by approximately $1.2 million per year from cash flow from operations. The Company anticipates that the related party credit line would be extended until repaid. Alternatively, the related party loan could be repaid by proceeds from real estate property sales or the sale of available-for-sale investments. The Company also anticipates that the loan guarantee by a related party will remain in force until the market value of the Company's collateral is sufficient to meet the margin requirements of the credit facility with the Company's banker.

On January 14, 2009 the Company provided notice that it may purchase up to 700,000 of its Common shares under a Normal Course Issuer Bid until January 15, 2010. Funding of this bid would be by cash flow from operations or by the sale of investments. However, the Company is not obligated to purchase any shares for cancellation. To April 13, 2009, 20,000 shares were purchased for cancellation under the bid at a cost of $14,000. Based on the latest bid price for the Company's shares, the remaining 680,000 shares under the normal course issuer bid could entail cash requirements of $0.5-million.

At April 13, 2009, as a gauge of liquidity risk, a decline of 10% in the price of all of the Company's securities excluding Fort Chicago would not result in a reduction in borrowing availability. A decline of 10% in the price of Fort Chicago would result in a reduction in borrowing availability of $1.0-million which would result in a remaining availability from all credit lines of $1.5-million.

At April 13, 2009, the Company had $0.1-million in cash, $14.6-million at a quoted bid price of exchange-traded marketable investments and $4.8-million at cost in an equity investment as a private placement in a private company that operates in the energy sector.

Cash flow for the Realty segment was $0.3-million from operations for the 4th quarter and along with cash on hand was used to reduce intersegment debt by $0.4-million with the Corporate segment. For the year, cash flow from operations was $1.0-million primarily from increased revenue from the fully leased Sony Place facility. Cash flow from operations, the sale of two properties for $0.3-million and intersegment borrowing $1.5-million from the Corporate segment provided the funds to finance $2.9-million of additions to property and equipment.

At April 13, 2009, all tenants were current in their rent. The Company is not aware of any major tenant that would not be able to meet its rent obligation within the next year. None of the Company's major tenants have a renewal

option or lease expiry date before the Company's next fiscal year end, January 31, 2010. The three major tenants in the Sony Place facility have signed on for initial terms of 10 years; two of the tenants with a 5-year and one tenant with a 10-year renewal option. Subsequent to the sale of a vacant property in the 1st quarter of fiscal 2010 to April 13, 2009, the Company has a vacancy rate of 1%.

The Corporate segment reduced debt by $1.8-million in the 4th quarter by selling $1.3-million of investments and from a reduction of intersegment debt of $0.4-million from the Realty segment. For the year, the Corporate segment reduced debt by $4.3-million by selling $10.1-million of investments. The Corporate segment provided intersegment financing of $1.5-million to its Realty operations, purchased investments for $3.8-million, purchased the Company's own shares for cancellation under Normal Course Issuer bids for $0.3-million and paid $0.1-million of refundable dividend taxes. Cash flow from operations plus investment distributions were even for the year.

Contractual Obligations

At January 31, 2009, contractual obligations of the continuing operations are summarized as follows:

		Payments due by period ($000's)			
	Total	Less than 1 year	1-3 years	4-5 years	After 5 years
Non operating leases [(1)]	154	154	—	—	—
Operating leases	105	31	68	6	—
Total obligations	259	185	68	6	—

(1) The Company's subsidiary, Gendis Realty Inc., is a non operating tenant pursuant to a lease. The premises are occupied and operated by a third party. The Company considers this lease to have an intrinsic value, due to the location which the subsidiary may be able to realize upon.

Outstanding Share Data

At April 13, 2009 there were 14,055,000 Common shares outstanding with a stated capital of $14,771,000.

Critical Accounting Estimates

Income taxes are determined using the asset and liability method of accounting, which recognizes future tax assets and liabilities based on the differences between the accounting and the tax basis of assets and liabilities. Future taxes are measured at the income tax rates expected to apply when the asset is realized or when the liability is settled. Assumptions are required to determine the provision for income taxes, including the resolution of tax disputes. The Company currently has significant differences resulting from non-capital loss carry forwards that have the potential to reduce taxable income in the future. A future tax asset has been recognized by the Company as Management has determined that it is more likely than not that a portion of the non-capital loss carry forwards will be realized. Management exercises judgment in considering future earnings projections. Accordingly, the Company would recognize future tax assets as taxable earnings are achieved in the future.

The carrying value of long-lived assets is assessed for impairment when the undiscounted future cash flows from its use and eventual dispositions are not sufficient to recover the asset's carrying value. An impairment loss is recognized based on the excess of the carrying amount of the real estate asset over its fair value and is recorded in the period in which the impairment occurs. The determination of anticipated cash flows is based in part on assumptions regarding future occupancy, rental rates and capital requirements that could differ materially from actual results in future periods. Fair value is determined based on the greater of applying a capitalization rate to the expected cash flow from the property and an expected sale value, net of selling costs of a vacant property. The capitalization rate selected would be typical for properties of a similar type and location. Estimates of sales value are obtained from knowledgeable personnel in the real estate industry.

Determination of the Company's pension asset and expense are dependent on the assumptions used in calculating these amounts. The assumptions are determined by Management and are reviewed by Management annually and by its actuary tri-annually. The last tri-annual actuarial valuation was conducted as at December 31, 2006. These assumptions include the discount rate, the rate of compensation increase and the expected long-term rate of return on pension plan assets. Actuarial assumptions for mortality and employee turnover rates are based on standard tables, adjusted as necessary to reflect the Company's experience in prior years and reflect actual provisions of the pension plan. Expected trends in rates used are considered in determining the assumptions. Differences between actual experience and the assumptions will result in increases or decreases in the Company's pension expense in future years.

Recently Issued Accounting Pronouncements

In February 2008, the Canadian Institute of Chartered Accountants - Accounting Standards Board confirmed that all Canadian publicly accountable enterprises will be required to retrospectively adopt International Financial Reporting Standards ("IFRS"). The adoption will be applicable for interim and annual reporting purposes for the Company's fiscal year beginning on February 1, 2011. The Company is in the process of identifying and assessing the impact of the convergence of Canadian Generally Accepted Accounting Standards with the required and optional changes of IFRS on its results of operations, financial position and disclosures. The Company is in the process of developing its changeover plan. Initial indications are that the changeover may have a significant impact on the Company's accounting for and disclosure of financial instruments and real estate properties held for lease revenue. Additionally, the changeover plan will include an assessment of the impact over the Company's information technology and data systems, internal control over financial reporting, disclosure control and procedures, financial reporting expertise and training requirements, business activities such as debt covenants, capital requirements and compensation arrangements.

Abbreviations

As used herein "Gendis" or the "Company" or the "Corporation" refers to Gendis Inc., "Saan" refers to Saan Stores Ltd., a former subsidiary of Gendis Inc. The Company's property at 1370 Sony Place in Winnipeg, Manitoba is referred to as the "Sony Place facility."

The following, which are investments of Gendis Inc., are referenced as follows – "Aecon" refers to Aecon Group; "Alberta Clipper" refers to Alberta Clipper Energy Inc.; "Ember" refers to Ember Resources Inc.; "Fort Chicago" refers to Fort Chicago Energy Partners LP; "FNX" refers to FNX Mining Company Inc.; "IMRIS" refers to IMRIS inc.; "INV" refers to International Nickel Ventures Inc.; "Opti" refers to Opti Canada Inc.; "OSUM" refers to OSUM Oil Sands Corp. (formerly Oil Sands Underground Mining Corp.); "Royal Bank" refers to the Royal Bank of Canada; "Scotiabank" refers to The Bank of Nova Scotia; "Starbucks" refers to Starbucks Corporation; "WesternZagros" refers to WesternZagros Resources Ltd.; "Yellow Pages" refers to Yellow Pages Income Trust.

RESPONSIBILITY FOR FINANCIAL REPORTING

Management of the Corporation is responsible for the consolidated financial statements and all information contained in the Annual Report. The consolidated financial statements are prepared in accordance with accounting principles generally accepted in Canada (GAAP). Significant accounting policies are described in Note 2 to the consolidated financial statements. Management exercised its best judgment in selecting appropriate accounting policies and providing estimates as part of the assurance that transactions are part of the reporting process. Management maintains a system of accounting and administrative controls that provide reasonable assurance that transactions are appropriately authorized, assets safeguarded and financial records maintained, in order to provide relevant, reliable and timely financial information. Management considers financial information presented in the Annual Report to be consistent with the consolidated financial statements.

The Company's Board of Directors has appointed an Audit Committee consisting of three directors who are not executive officers or employees of the Corporation. The Board of Directors has delegated responsibility for the oversight of the financial reporting process to the Audit Committee. The Audit Committee meets periodically with management and the independent auditors to review the performance of their respective responsibilities and to discuss accounting policy and financial reporting matters. The Audit Committee assesses the audit plan of the independent auditors, the audit report and the results of the audit findings. The Audit Committee has unrestricted access to the independent auditors to discuss audit and related findings on the integrity of the Corporation's financial reporting process, and the adequacy of the system of accounting and administrative controls. The Audit Committee provides a recommendation to the Board of Directors on the approval of the annual consolidated financial statements, annual Management's Discussion & Analysis and the re-appointment of the independent auditors. The Audit Committee also approves the interim consolidated financial statements and interim Management's Discussion & Analysis.

ALBERT D. COHEN
President, Chief Executive Officer
& Chairman of the Board of Directors

ERNEST B. REINFORT
Vice-President, Finance
& Comptroller

April 13, 2009

AUDITORS' REPORT TO THE SHAREHOLDERS OF GENDIS INC.

We have audited the consolidated balance sheets of Gendis Inc. as at January 31, 2009 and January 31, 2008 and the consolidated statements of operations, comprehensive income (loss), shareholder's equity and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Corporation as at January 31, 2009 and January 31, 2008 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants

Winnipeg, Manitoba
April 13, 2009

GENDIS INC.
CONSOLIDATED BALANCE SHEETS
AS AT JANUARY 31, 2009 AND JANUARY 31, 2008
(thousands of dollars)

	2009 $	2008 $
ASSETS		
CURRENT ASSETS		
Cash	199	203
Receivables	291	259
Prepaid expenses	71	270
	561	732
INVESTMENTS (note 3)		
at fair value	15,979	34,028
at carrying value	4,946	4,821
PROPERTY AND EQUIPMENT (note 4)	12,881	10,658
FUTURE TAX ASSET (note 8)	2,732	2,597
	37,099	52,836
LIABILITIES		
CURRENT LIABILITIES		
Credit facilities (note 5)	14,491	18,778
Accounts payable and accrued liabilities	1,119	970
Income and capital taxes payable	20	67
	15,630	19,815
POST EMPLOYMENT BENEFIT OBLIGATIONS (note 6)	706	—
COMMITMENTS AND CONTINGENCIES (note 12)		
SHAREHOLDERS' EQUITY	20,763	33,021
	37,099	52,836

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS

ALBERT D. COHEN
Director

JAMES E. COHEN
Director

GENDIS INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED JANUARY 31, 2009 AND JANUARY 31, 2008
(thousands of dollars, except per share data)

	2009 $	2008 $
REVENUE		
Investment	1,114	1,575
Real estate operating lease rents	2,197	1,587
	3,311	3,162
EXPENSES		
Property and administrative expenses	2,892	2,770
Amortization of property and equipment	457	349
Interest and other finance expense	841	945
	4,190	4,064
LOSS BEFORE THE UNDERNOTED	(879)	(902)
Post employment benefit obligations	(706)	—
Gain (loss) on sale of investments:		
Held-for-trading	(5,476)	703
Available-for-sale	(525)	(283)
Change in fair value of investments held-for-trading	361	(3,801)
Provision for loss on investments available-for-sale	(34)	—
Loss on sale of note receivable	—	(2,235)
Gain (loss) on sale of property and equipment	95	(9)
LOSS BEFORE INCOME TAXES	(7,164)	(6,527)
INCOME TAX PROVISION (RECOVERY) (note 8)		
Current tax	199	199
Future tax	(135)	(1,637)
Income tax provision (recovery)	64	(1,438)
NET LOSS FROM OPERATIONS FOR THE YEAR	(7,228)	(5,089)
NET LOSS FROM OPERATIONS PER SHARE	($0.51)	($0.35)

GENDIS INC.
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (LOSS)
FOR THE YEARS ENDED JANUARY 31, 2009 AND JANUARY 31, 2008
(thousands of dollars)

	2009 $	2008 $
OTHER COMPREHENSIVE LOSS		
Change in the fair value of investments available-for-sale	(4,664)	(791)
Loss on sale of investments available-for-sale	(525)	(283)
Provision for loss on investments available-for-sale	(34)	—
Transfers to the Statement of Operations:		
Provision for loss on investments available-for-sale	34	—
Loss on sale of investments available-for-sale	525	283
Other comprehensive loss for the year	(4,664)	(791)
Net loss from operations for the year	(7,228)	(5,089)
COMPREHENSIVE LOSS FOR THE YEAR	(11,892)	(5,880)

CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY
FOR THE PERIOD ENDED JANUARY 31, 2009 AND JANUARY 31, 2008
(thousands of dollars)

	Share Capital (note 7) $	Retained Earnings $	Accumulated Other Comprehensive Income (Loss) $	Total $
Balance –January 31, 2007	15,736	21,740	3,008	40,484
Net loss	—	(5,089)	(791)	(5,880)
Shares purchased for cancellation	(741)	(764)	—	(1,505)
Refundable dividend taxes	—	(78)	—	(78)
Balance – January 31, 2008	14,995	15,809	2,217	33,021
Net loss	—	(7,228)	(4,664)	(11,892)
Shares purchased for cancellation	(199)	(147)	—	(346)
Refundable dividend taxes	—	(20)	—	(20)
Balance – January 31, 2009	14,796	8,414	(2,447)	20,763

GENDIS INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JANUARY 31, 2009 AND JANUARY 31, 2008
(thousands of dollars)

	2009 $	2008 $
CHANGES IN CASH POSITION		
By operations		
Net loss from operations for the year	(7,228)	(5,089)
Items not affecting cash:		
Amortization of property and equipment	457	349
(Gain) loss on sale of property and equipment	(95)	9
Change in fair value of investments held-for-trading	(361)	3,801
Loss (gain) on sale of and provision for loss on investments	6,035	(420)
Loss on sale of note receivable	—	2,235
Post employment benefit obligations	706	—
Future income taxes	(135)	(1,637)
Cash flow from earnings	(621)	(752)
Net increase from working capital	327	49
	(294)	(703)
By investing activities		
Investments acquired	(3,822)	(8,208)
Proceeds on sale of investments	10,150	5,562
Reduction to the cost of investments from a return of capital	1,258	1,104
Proceeds from sale of note receivable	—	100
Proceeds from sale of property and equipment	346	—
Expenditures on property and equipment	(2,931)	(127)
	5,001	(1,569)
By financing activities		
Net advance from (repayment of) credit facilities	(4,287)	3,980
Shares purchased for cancellation	(346)	(1,505)
Refundable dividend taxes	(78)	(195)
	(4,711)	2,280
INCREASE (DECREASE) IN CASH	(4)	8
NET CASH – beginning of year	203	195
NET CASH – end of year	199	203
Supplemental information:		
Interest paid	914	978
Income taxes paid	277	394

1. NATURE OF OPERATIONS

The Corporation operates commercial real estate properties, and invests in marketable securities and securities from private placements.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Presentation

The accompanying consolidated financial statements have been prepared in accordance with generally accepted accounting principles in Canada.

The Canadian Institute of Chartered Accountants Handbook section 1400, "General Standards of Financial Statement Presentation" requires management to assess an entity's ability to continue as a going concern and to disclose material uncertainties related to events and conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. The results of this assessment did not require any disclosure in these financial statements.

The following are the references for the abbreviated names of the Corporation's investments – "Alberta Clipper" refers to Alberta Clipper Energy Inc.; "Ember" refers to Ember Resources Inc.; "Fort Chicago" refers to Fort Chicago Energy Partners LP; "FNX" refers to FNX Mining Company Inc.; "INV" refers to International Nickel Ventures Inc.; "Opti" refers to Opti Canada Inc.; "OSUM" refers to OSUM Oil Sands Corp. (formerly Oil Sands Underground Mining Corp.); "Royal Bank" refers to the Royal Bank of Canada; "Scotiabank" refers to The Bank of Nova Scotia; "Starbucks" refers to Starbucks Corporation; "Yellow Pages" refers to Yellow Pages Income Fund.

(b) Principles of Consolidation

The consolidated financial statements include the accounts of 3440869 Canada Inc., operating as Gendis Financial, and Gendis Realty Inc., both wholly owned subsidiaries of the Corporation.

(c) Earnings per Share

Basic earnings per share are calculated using the daily weighted average number of shares outstanding during the respective fiscal years.

(d) Fair Value Estimation

Fair value for exchange-traded investments that are classified as held-for-trading or as available-for-sale are determined to be the closing quoted bid price in an active exchange-traded market. Private placement investments have been designated as investments available-for-sale and are carried at cost, as fair values cannot be reliably determined. The carrying value of receivables, accounts payable and accrued liabilities, and credit facilities approximate fair values due to their short-term maturity.

(e) Measurement Uncertainty

The preparation of financial statements in accordance with generally accepted accounting principles requires the Corporation to make estimates and assumptions that affect reported amounts of assets and liabilities, revenue and expenses, and the disclosure of contingencies. Future events could alter such estimates in the near future.

The Corporation has estimated the useful lives of property and equipment and the recoverable value of property and equipment based on historical industry trends and existing competitive factors. Significant changes in these factors could result in material impairment in the reported amounts for these assets.

(f) Investments

At the year ended January 31, 2008, the units of the Corporation's investment in the flow-through entity, Fort Chicago, that are held as collateral for the credit facility provided by the Corporation's banker were designated as investments available-for-sale. At the year ended January 31, 2009, all of the units of the Corporation's investment in the flow-through entities, Fort Chicago and Yellow Pages, are designated as investments available-for-sale as the principal objective in holding these investments is for income and cash flow and not for gains on trading. These investments are recorded at fair value on the Balance Sheet with fair value changes recorded as Other Comprehensive Income (Loss). Cash distributions are recorded as investment income. The excess of cash distributions over the proportionate share of earnings of the investment, if any, is recorded as a reduction to the cost of the investment as a return of capital.

Private placement investments have been designated as investments available-for-sale and carried at cost, as fair values cannot be reliably determined as there is no active market for these securities.

The remaining portfolio of exchange-traded investments has been designated as held-for-trading. These investments are recorded at fair value on the Balance Sheet with fair value changes recorded in the Statement of Operations.

Purchases and sales of exchange-traded securities are recorded on the trade date. Transaction costs are expensed in the period incurred.

(h) Property and Equipment and Amortization

Property and equipment are recorded at the lower of cost less accumulated amortization and the net recoverable amount.

Amortization is provided on a straight-line basis over the estimated useful life at the following annual rates:

Property:	
Buildings	3%
Parking lot	5%
Leasing costs	10% to 20%
Equipment:	
Office furniture, fixtures and equipment	7%
Computer:	
Equipment	25%
Software	50%

The carrying value of property and equipment is assessed for impairment when the undiscounted future cash flows from its use and eventual dispositions are not sufficient to recover the asset's carrying value. An impairment loss is recognized based on the excess of the carrying amount of the real estate asset over its fair value and is recorded in the period in which the impairment occurs. The determination of anticipated cash flows is based in part on assumptions regarding future occupancy, rental rates and capital requirements that could differ materially from actual results in future periods. Fair value is determined based on the greater of applying a capitalization rate to the expected cash flow from the property and an expected sale value, net of selling costs of the property. The capitalization rate selected would be typical for properties of a similar type and location. Estimates of sales value are obtained from knowledgeable personnel in the real estate industry.

(h) Pension Plans

The Corporation maintains an employee contributory defined benefit pension plan and a defined contribution pension plan. All employees who meet certain eligibility requirements must participate in one of the plans.

For the defined benefit plan, pension expense is determined using the projected benefit method pro rated on service, market interest rates and management's best estimates on expected plan investment performance, salary escalation and retirement ages of plan members. A market related method is used to value plan assets for the purposes of calculating the expected return on plan assets. Under this method, the quoted market value is the underlying basis, but unrealized gains and losses are averaged over a five-year period. Cumulative unrecognized net actuarial gains and losses in excess of 10% of the greater of the projected benefit obligation or modified market value of the plan are amortized over the average remaining life expectancy of the members of the plan of 16 years.

For the defined contribution plan, pension expense is the Corporation's contribution to the plan.

(i) Life insurance for eligible retired employees

The Corporation has an obligation to provide a death benefit of $5,000 to eligible retired employees of the Corporation and the Corporation's former subsidiaries who retired prior to December 10, 2004. To be eligible, the retired employee had to continue with an employee paid declining insurance coverage for 5 years after retirement. The Corporation records the present value of the death benefit after applying mortality factors.

(j) Future Income Taxes

The Corporation utilizes the liability method of accounting for income taxes under which future income tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying amounts and the tax basis of assets and liabilities. Future income tax assets and liabilities are measured using substantively enacted tax rates in effect for the year in which those temporary differences are expected to be recovered or settled. The effect on future income tax assets and liabilities of a change in tax rates is recognized in earnings in the period that includes the enactment date. Future income tax assets are recognized to the extent that realization is considered more likely than not.

(k) Revenue Recognition

Investment income includes interest, dividends and distributions from flow-through entities net of a return of capital, if any.

Real estate rental revenue includes base rent, percentage participating rents and recoveries of operating expenses, including property taxes. Percentage participating rents are recognized when specified sales targets have been met.

(l) International Financial Reporting Standards

In February 2008, the Canadian Institute of Chartered Accountants - Accounting Standards Board confirmed that all Canadian publicly accountable enterprises will be required to retrospectively adopt International Financial Reporting Standards ("IFRS"). The adoption will be applicable for interim and annual reporting purposes for the Corporation's fiscal year beginning on February 1, 2011. The Corporation is in the process of identifying and assessing the impact of the convergence of Canadian Generally Accepted Accounting Standards with the required and optional changes of IFRS on its results of operations, financial position and disclosures.

3. INVESTMENTS

	Number of shares/units (000's) 2009	Number of shares/units (000's) 2008	Fair Value ($000's) 2009	Fair Value ($000's) 2008
Available-for-sale:				
Flow-through entities:				
Fort Chicago	2,057	2,190	15,674	22,644
Yellow Pages	10	—	64	—
Held-for-trading:				
Flow-through entities:				
Fort Chicago	—	154	—	1,595
Other equity investments:				
Alberta Clipper	—	700	—	1,540
Ember	147	673	82	941
FNX	—	110	—	2,920
INV	350	500	82	435
Opti	—	105	—	1,722
Royal Bank	—	15	—	760
Scotiabank	—	15	—	723
Starbucks	—	25	—	474
Other investments			77	274
Total exchange-traded investments			15,979	34,028

	Number of shares/units (000's) 2009	Number of shares/units (000's) 2008	Carrying Value ($000's) 2009	Carrying Value ($000's) 2008
Private placement, available-for-sale:				
Equity investment:				
OSUM	2,047	1,948	4,946	4,821

4. PROPERTY AND EQUIPMENT

	Cost 2009 ($000's)	Cost 2008 ($000's)	Accumulated amortization 2009 ($000's)	Accumulated amortization 2008 ($000's)	Net carrying value 2009 ($000's)	Net carrying value 2008 ($000's)
Land	2,265	2,367	—	—	2,265	2,367
Buildings & other property	19,487	16,658	8,960	8,481	10,527	8,177
Equipment	139	281	75	201	64	80
Property & equipment held for operating lease rental	21,891	19,306	9,035	8,682	12,856	10,624
Other equipment	408	408	383	374	25	34
	22,299	19,714	9,418	9,056	12,881	10,658

On March 12, 2009, the Corporation sold a real estate property held for lease for $320,000 with a gain on sale of approximately $75,000 to be recorded in the subsequent period.

5. CREDIT FACILITIES

	Borrowing balance		Remaining borrowing availability		Carrying value of collateral	
	2009 ($000's)	2008 ($000's)	2009 ($000's)	2008 ($000's)	2009 ($000's)	2008 ($000's)
Banker's acceptances (a)	12,291	14,569				
Bank demand loan (a)	100	400				
Total for bank borrowing	12,391	14,969	1,627	—	15,025	22,644
Broker's margin account (b)	—	2,809	369	2,137	954	11,384
Brosco Fund Limited (c)	1,100	—	—	—	—	—
Brosco Fund Limited (c)	1,000	1,000	—	—	—	—
	14,491	18,778	1,996	2,137	15,979	34,028

(a) The Corporation has a revolving credit facility with its banker, The Bank of Nova Scotia, that provides for a borrowing capacity of 70% (2008 - 70%) of the market value of marketable securities, namely Fort Chicago, lodged as collateral. For additional collateral, 1338823 Alberta ULC, a company that the Chief Executive Officer of Gendis Inc. controls, has provided a $3.5 million guarantee to Gendis Inc.'s banker. The credit facility expires on July 31, 2009. Access to the credit facility may be by direct loan or by banker's acceptance of the Corporation's promissory note. The interest rate on direct loans is the prime rate plus 0.15% (2008 - the prime rate plus 0.15%) as established from time to time by the bank. At January 31, 2009, the interest rate was 3.15% (2008 – 5.75%). The fee on banker's acceptances is 1.05% (2007 – 1.05%). The interest rate on promissory notes is determined by the prevailing market conditions. At January 31, 2009, the interest rate was 1.3% (2008 – 4.2%).

(b) The Corporation has arranged for borrowing by way of a brokerage margin account with a broker that provides for a borrowing capacity of between 25% to 70% of the market value of marketable securities eligible as collateral in the Corporation's account with the broker. The borrowing capacity rate is dependant on the price per share of a particular security and whether the security has an option market. The interest rate is the prime rate plus 1.0%. At January 31, 2009, the interest rate was 4.75% (2008 – 6.8%).

(c) The Corporation arranged to borrow, on a revolving unsecured basis from Brosco Fund Limited, a company controlled by the Corporation's Chief Executive Officer, up to $1.0-million until January 31, 2009, with interest at the prime rate as established by the Corporation's banker from time to time. At January 31, 2009, the interest rate was 3.0% (2008 - 5.75%). The Corporation also borrowed $1.1-million, on a demand basis, from Brosco Fund Limited, with interest at the prime rate as established by the Corporation's banker from time to time. At January 31, 2009, the interest rate was 3.0%. Subsequent to January 31, 2009, the Corporation arranged with Brosco Fund Limited to provide a $2.1-million revolving loan credit facility to the Corporation until January 31, 2010 with interest at the prime rate as established by the Corporation's banker from time to time. During the year ended January 31, 2009, interest paid to Brosco Fund Limited was $48,000 (2008 - $14,000).

6. POST EMPLOYMENT BENEFIT OBLIGATIONS

(A) PENSION PLAN

In 2004, upon the sale by the Corporation of its former subsidiary by the Corporation, the sponsorship of the Corporation's defined benefit pension plan ('Old Plan') was assumed by the former subsidiary. Entitlements of employees and retirees of all former subsidiaries of the Corporation remained with the Old Plan. In 2004, the Corporation created and sponsored a separate defined benefit pension plan ('New Plan') for employees of Gendis Inc. and its retirees in order to transfer them out of the Old Plan. On February 17, 2009, the transfer of

assets and benefits obligations for employees of Gendis Inc. and its retirees from the Old Plan to the New Plan occurred after receipt of regulatory approval. Information on the New Plan is based on an actuarial valuation at September 30, 2004 with benefit obligations and the asset transfer amount extrapolated to January 31, 2008 and 2009, as follows:

(a) Pension Plan Net Assets

	2009 ($000's)	2008 ($000's)
Quoted market value – beginning of year	1,916	2,030
Investment income	49	45
Expenses	(11)	(22)
Employee contributions	11	10
Employer contributions	31	25
Benefits, refund of contributions and administrative expenses	(143)	(172)
Quoted market value – end of year	1,853	1,916

Investment Categories of Pension Plan Assets	2009	2008
Cash and other net assets	100%	77%
Debt securities	—	23%
Equity securities	—	—

(b) Pension Plan Benefit Obligations

	2009 ($000's)	2008 ($000's)
Accrued benefit obligation – beginning of year	1,903	1,891
Accrued interest on benefits	92	101
Accrued benefits	42	37
Benefits and refund of contributions	(143)	(150)
Change in assumptions in discount rate and rate of compensation increase	(112)	—
Experience loss and administrative expenses	29	24
Accrued benefit obligation – end of year	1,811	1,903

The most recent actuarial valuation of accumulated pension benefits was made as at September 30, 2004 for the Old Plan and December 31, 2006 for the New Plan.

(c) Significant actuarial assumptions in measuring the Corporation's accrued benefit obligations

	2009	2008
Discount rate	4.60%	5.50%
Expected long-term rate of return on pension plan assets	5.50%	5.50%
Rate of compensation increase	3.50%	4.40%

(d) The Corporation's Accrued Pension Asset (Liability)

	2009 ($000's)	2008 ($000's)
Pension Plan surplus at quoted market values	42	13
Valuation allowance	(42)	(13)
Accrued pension asset (liability)	—	—

The valuation allowance represents the amount of surplus not recognized on the Corporation's Balance Sheet.

(e) Calculation of the Corporation's Pension Expense	2009 ($000's)	2008 ($000's)
Accrued benefits	42	37
Employee contributions	(11)	(10)
Accrued interest on benefits	92	101
Investment income	(49)	(45)
Expenses	11	22
Change in assumption	(112)	—
Experience loss and administrative expenses	29	24
Change in valuation allowance	29	(126)
Pension expense from the defined benefit pension plan	31	3
Pension expense from the defined contribution pension plan	27	26
Pension expense	58	29

(B) POST EMPLOYMENT LIFE INSURANCE FOR ELIGIBLE RETIRED EMPLOYEES

The Corporation was a participant in a former subsidiary's employee benefit program that includes participating in a group life insurance policy for eligible retired employees of the Corporation and the Corporation's former subsidiaries who retired prior to December 10, 2004. To be eligible, the retired employee had to continue with an employee paid declining insurance coverage for 5 years after retirement. In August 2008, the subsidiary was declared bankrupt and the insurance coverage ceased. The Corporation considers it has an obligation to provide death benefit coverage in the absence of a group life insurance policy, the volume of which is estimated at $1.5-million, $5,000 per eligible retired employee. The Corporation has recorded $706,000, which is the present value of this volume of benefit after applying mortality factors and a 7.7% discount interest rate.

	2009 ($000's)
Accrued benefit obligation – beginning of year	—
Accrued benefits	706
Benefits paid	—
Accrued benefit obligation – end of year	706

7. CAPITAL STOCK

(a) Authorized - The Corporation is authorized to issue an unlimited number of common shares.

(b) Common shares issued

	Number of Shares 2009	2008
Beginning of year	14,264,986	14,970,345
Less shares purchased for cancellation	189,600	705,359
End of year	14,075,386	14,264,986

During the year ended January 31, 2008, under Normal Course Issuer Bids, 189,600 (2008 – 705,359) common shares were purchased for cancellation for $346,000 (2008 - $1,505,000). Commencing January 16, 2009, the Corporation may purchase for cancellation up to 700,000 of its Common shares under a Normal Course Issuer Bid until expiry on January 15, 2010. The previous Normal Course Issuer Bid expired on January 13, 2009.

Subsequent to the year ended January 31, 2009, the Corporation purchased and cancelled 20,000 of its Commons shares for $14,000.

(c) At January 31, 2009, the refundable dividend tax on hand was $632,000 (2008 – $612,000).

(d) Net loss from operations per share

	2009 ($000's)	2008 ($000's)
Numerator – Net loss from operations for the year	7,228	5,089
Denominator – Weighted average number of shares outstanding	14,147	14,641

8. INCOME TAXES

(a) Income taxes on earnings (losses) vary from the amounts that would be computed by applying the combined federal and provincial statutory income tax rates to the earnings (losses) before income tax. The following is a reconciliation of the combined statutory income tax to the effective income tax:

	2009 ($000's)	2008 ($000's)
Statutory income taxes at 31.0% (2008 – 33.0%)	(2,221)	(2,150)
Non-deductible or taxable portion of capital gains or losses, investment income	269	131
Change in income tax rates	365	607
Limitation of deductible amounts	3	4
Foreign withholding taxes	199	199
Change in valuation allowance and other items	1,449	(229)
Income tax provision (recovery)	64	(1,438)

During the year ended January 26, 2002, the Corporation received Notices of Re-assessment levying additional income taxes and interest on the sale by the Corporation of shares of Sony of Canada Ltd. in 1995. The Corporation paid the entire amount of the income taxes and interest in the amount of $28.4-million in that year. The Corporation has filed a Notice of Objection with the Canada Revenue Agency. Due to uncertainty of the outcome, the Deposit on Income Tax Assessment of $28.4-million was written-off during the year ended January 31, 2007. On October 3, 2007, the Canada Revenue Agency confirmed these re-assessments after the Supreme Court of Canada refused to grant the Corporation's Leave to Appeal on jurisdictional grounds. The merits of the Corporation's position have been evaluated in consultation with legal counsel and the Corporation will continue to pursue the re-assessments on substantive grounds. On December 27, 2007, the Corporation filed a Notice of Appeal in Manitoba Court of Queen's Bench to void the re-assessments. The Minister of National Revenue for Canada filed a Reply to the Notice of Appeal on February 22, 2008. If the Corporation is successful in pursuit of this matter, this amount plus additional interest will be refunded and would be recorded in the year of settlement.

(b) At January 31, 2009, the Corporation has net capital losses of $4.4-million that may be applied against taxable capital gains indefinitely in the future. The Corporation also has $15.2-million of non-capital losses that are subject to expiry as follows:

Expiry date	Non capital loss ($000's)
2014	3,186
2015	37
2026	699
2027	427
2028	2,466
2029	8,335

(c) Future income tax assets (liabilities) are comprised as follows:

	2009 ($000's)	2008 ($000's)
Non capital losses	3,973	2,599
Capital losses	1,177	1,127
Property and equipment	619	849
Investments	1,477	788
Other items	344	152
	7,590	5,515
Valuation allowance	(4,858)	(2,918)
	2,732	2,597

9. RISK MANAGEMENT

The Corporation's activities expose it to a variety of financial risks such as market risk (which includes currency risk, fair value interest rate risk and other price risk), credit risk, and liquidity risk. The Corporation's overall risk management process focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on financial performance. Risk management is conducted by the Corporation's four executive officers under guidance by the Corporation's Board of Directors. The Corporation has an informal risk assessment process. Due to the small size of the Corporation, there is ample opportunity to formally and informally discuss items of importance between the executive officers and the four directors of the Board who are not officers of the Corporation. Risk concerns are identified, assessed and courses of action are taken on an ad-hoc basis. Accordingly, written policies for overall risk management or for specific risk areas are not considered necessary.

(a) Market Risk

(i) Currency Risk

The Corporation is directly exposed to currency risk on its held-for-trading investments that are traded on a US stock exchange or where a significant portion of the investment's debt financing is US dollar denominated. The Corporation is indirectly exposed to currency risk on its investments that operate in the oil & gas and mining resource sectors where the functional currency of the resource is denominated in US dollars.

The values of the Corporation's investments that are traded on a US stock exchange are not significant and accordingly, a currency risk management practice is not conducted.

For the Corporation's exchange-traded investments that are classified as held-for-trading or as available-for-sale that are in US dollar denominated, the impact on pre-tax earnings, based on the assumption that the US currency had increased or decreased by 10% with all other variables held constant and that all the Corporation's equity instruments in that particular index moved proportionately, is not significant.

The Corporation's indirect exposure to currency risk on investments (primarily Fort Chicago) with US dollar denominated debt or investments, (Fort Chicago and investments that operate in the oil & gas and mining resource sectors) whose operations subject them to exposure to currency risk is managed in combination with the Corporation's process in managing other price risk.

(ii) Fair Value Interest Rate Risk

At January 31, 2009, the Corporation has no significant interest bearing assets.

For the Corporation's interest bearing assets, the impact on pre-tax earnings, based on the assumption that the prime rate of interest increased or decreased by 1% with all other variables held constant, is not significant.

The Corporation's investment in Fort Chicago is an indirect exposure to fair value interest rate risk. The market price of Fort Chicago is sensitive to interest rate movement as the cash distribution is considered analogous by investors to an interest rate yield and accordingly, the market price of the security could be affected in an inverse relation to an interest rate change. The Corporation's exposure to fair value interest rate risk is managed in combination with the Corporation's process in managing other price risk.

The Corporation is exposed to interest rate risk from borrowings at variable interest rates. The Corporation's borrowings consist of banker's acceptances typically issued at 35-day maturities, revolving loans with its banker, a broker's margin account and a revolving loan with a related party. At January 31, 2009, if interest rates changed by 1%, the Corporation's pre-tax earnings change would not be significant. The Corporation considers the level of exposure to interest rate risk to be low and accordingly, the Corporation does not have a policy to manage interest rate risk from borrowings at variable interest rates.

The Corporation is exposed to interest rate risk on its post employment benefit obligations. A change of 1% in the discount rate on the pension plan benefit obligations would result in a change in the obligation by approximately $0.2-million. A change of 1% in the interest rate on the pension plan assets would not result in a significant change in the pension plan investment earnings. A change of 1% in the discount rate on post employment life insurance obligations would result in a change in the obligation and a change in earnings by less than $0.1-million.

(iii) Other Price Risk

The Corporation is exposed to other price risk on its investments that are classified as held-for-trading, as available-for-sale or on a cost basis (private companies). The Corporation is indirectly exposed to commodity risk on its investments that operate in the oil & gas and mining resource sectors.

To manage other price risk, the Corporation's Investment Committee monitors market prices of exchange-traded securities throughout the trading day using computer software linked into stock exchanges' stock quote systems. For exchange-traded securities and investments in private companies, the Corporation's Investment Committee also monitors news wire services, websites of the investee companies and has periodic oral communication with senior officers of the investee companies.

For the Corporation's exchange-traded investments that are classified as held-for-trading or as available-for-sale that are traded on the TSX and the NYSE, the impact on pre-tax earnings, based on the assumption that the S&P/TSX equity index had increased or decreased by 10% with all other variables held constant and that all the Corporation's equity instruments in that particular index moved proportionately, is not significant. Pre-tax earnings would change on equity investments classified as held-for-trading. The impact on pre-tax other comprehensive income based on the above assumption is $1.6-million. Pre-tax other comprehensive income would change on equity investments classified as available-for-sale.

(b) Credit Risk

The Corporation has significant concentrations of credit risk from tenants in its Realty segment. The Corporation has three tenants that will comprise 63% of consolidated revenue. The Corporation is in communication with any tenant that is in arrears to assess collection concerns. One of the tenants (15%) is a publicly traded entity. The Corporation monitors this tenant's statutory filings to assess credit worthiness. One of the tenants (13%) is a provincial crown corporation and accordingly, credit worthiness is not considered a concern. One of the tenants (35%) acts as a distribution agent for products of its two owners who are publicly traded entities operating in the brewing business. When the collection of a receivable is considered impaired, a provision is recorded to establish a net expected collection amount.

The guarantor of Gendis Inc.'s credit facility may relinquish its guarantee with 30 days notice to Gendis Inc.'s banker. Circumstances may also arise for the guarantor to not honour its guarantee. Accordingly, based on collateral requirements at January 31, 2009, the Corporation would be required to provide its banker with other collateral, such as the Corporation's real estate, of approximately $1.9-million or reduce its borrowings with its banker by selling assets.

(c) Liquidity Risk

The Corporation's liquidity risk management involves:
(i) monitoring the changes in the exchange-traded market prices of its marketable securities portfolio, which represents approximately 43% of the Corporation's total assets;
(ii) maintaining an availability of funding through committed credit facilities, which represents approximately 39% of the Corporation's total assets. The primary credit facility of the Corporation is with its banker. The Corporation will endeavour to negotiate a renewal of the terms and conditions before expiry on July 31, 2009;
(iii) investing in securities that provide cash flow from distributions and dividends;
(iv) securing long term leases with tenants for its realty properties.

The borrowing capacity of the Corporation's credit facilities with its banker is 70% of the market value of the marketable security, Fort Chicago, lodged as collateral and a $3.5-million guarantee by a related company. Borrowing by way of a brokerage margin account provides for a borrowing capacity of 25% to 70% of the market value of other marketable securities eligible as collateral in the Corporation's account with the broker. The borrowing capacity rate is dependant on the price per share of a particular security and whether the security has an option market. The Corporation has also arranged to borrow up to $2.1-million on a revolving unsecured basis from Brosco Fund Limited, a company controlled by the Corporation's Chief Executive Officer. At January 31, 2009, the remaining borrowing availability under all credit facilities was $2.0-million. A decline of 10% in the price of all exchange-traded securities would result in a reduction in borrowing availability of $1.1-million.

The Corporation has maintained a substantial core holding of the investment in Fort Chicago, a flow-through entity. Fort Chicago provides the Corporation with cash flow from regular monthly distributions that cover approximately 60% the Corporation's operating cash expenses (i.e. excluding amortization) and interest. As cash is required to settle liabilities or fund operations, the Corporation's policy is to borrow against available credit lines or sell marketable securities.

10. CAPITAL MANAGEMENT

The Corporation defines its capital to be the aggregate of its share capital, retained earnings, accumulated other comprehensive income (loss) and credit facilities. The Corporation's Corporate segment manages the overall capital of the organization, including sourcing, collateral encumbrances and allocations of capital to the other business unit, the Realty segment. Capital for the Realty segment is reset annually to establish inter-segment debt at 70% of total assets to mirror what Management considers as a typical debt financing for commercial real estate ventures.

The Corporation's objectives for Capital Management are to maintain credit facilities to support the level of asset investment to generate income and capital appreciation; to support the Corporation's share price on the stock exchange by buying back shares through a normal course issuer bid process when prices are substantially below a value ascribed by the Corporation's Chief Executive Officer, and establishing a dividend policy.

The Corporation has complied with externally imposed capital requirements during the years ended January 31, 2008 and January 31, 2009. The externally imposed capital requirements primarily consist of ensuring the margin threshold has not been exceeded and that the lender has received quarterly and annual financial statements on a timely basis. To meet margin requirements, market prices of the collateralized securities are monitored throughout the day. If the margin threshold is anticipated to be exceeded, the loan is repaid by sourcing funds from the Corporation's other credit facilities or from proceeds from selling securities.

The Board of Directors reviews and sets the maximum borrowing levels on an ad-hoc basis as liquidity requirements and investment buying opportunities arise. At January 31, 2009, the maximum amount of borrowing for investment purposes is set at $20-million.

11. SEGMENT INFORMATION

The Corporation has identified two reportable segments - Realty and Corporate. At January 31, 2009, the Realty segment consists of six (2008 – eight) commercial retail properties with an area for lease of 78,000 (2008 - 104,000) sq. ft. and one facility complex of 379,000 sq. ft. At January 31, 2009 - 3% (2008 – 49%) of the total leasable area was vacant. The Corporate segment is primarily involved in investing in equity securities, sourcing external capital to meet the Corporation's capital requirements and providing capital and management services to the Realty Segment. All revenues and operating expenses pertain exclusively to Canada. Intersegment revenue and expense is rent, management fees and interest.

	Year Ended	Realty	Corporate	Intersegment Elimination	Total
Revenue	2009	2,257	1,711	(657)	3,311
	2008	1,648	1,737	(223)	3,162
Expenses	2009	1,436	1,637	(181)	2,892
	2008	1,292	1,659	(181)	2,770
Amortization	2009	438	19	—	457
	2008	332	17	—	349
Interest & other finance expense	2009	476	841	(476)	841
	2008	42	945	(42)	945
Post employment benefit obligations	2009	—	706	—	706
	2008	—	—	—	—
Gain (loss) on sale of investments, note receivable, property & equipment and provision for loss on investments	2009	95	(6,035)	—	(5,940)
	2008	—	(1,824)	—	(1,824)
Change in fair value of investments held-for-trading	2009	—	361	—	361
	2008	—	(3,801)	—	(3,801)
Income tax recovery (provision)	2009	(220)	156	—	(64)
	2008	6	1,432	—	1,438
Net loss from operations for the year	2009	(218)	(7,010)	—	(7,228)
	2008	(12)	(5,077)	—	(5,089)
Expenditures on property and equipment	2009	2,915	16	—	2,931
	2008	117	10	—	127
Total Assets	2009	13,599	33,434	(9,934)	37,099
	2008	12,046	49,450	(8,660)	52,836

12. COMMITMENTS AND CONTINGENCIES

(a) At January 31, 2009, there is one (2008 – one) location where the Corporation has the primary obligation under a property lease. The Corporation has not accrued an amount for future lease costs as the Corporation expects to derive future benefits from this lease should the sub-lessor repudiate their commitments. Minimum annual rentals (exclusive of additional amounts based on percentage of sales, but inclusive of taxes, insurance and other occupancy charges) on long-term operating property leases, the longest of which will expire in the fiscal year ending 2010 are detailed below.

Other minimum lease payments are as follows:

Year ending January	Property Leases ($000's)	Other Leases & Commitments ($000's)
2010	154	31
2011	—	25
2012	—	18
2013	—	6
thereafter	—	—

(b) In connection with the disposition of the investment of a former subsidiary of the Corporation and real estate assets, the Corporation has provided customary representations and warranties that range in duration. In addition, as is customary, the Corporation has agreed to indemnify the buyers of certain assets in respect of certain liabilities pertaining to events occurring prior to the respective sales relating to taxation, environmental, litigation and other matters. The Corporation is unable to estimate the maximum potential liability for these indemnifications as the underlying agreements often do not specify a maximum amount and the amounts are dependent upon the outcome of future contingent events, the nature and likelihood of which cannot be determined.

(c) Subsequent to the Corporation selling its investment in Saan Stores Ltd. on December 16, 2004, Saan Stores Ltd. filed for creditor protection under the Companies' Creditor Arrangements Act and subsequent to that, obtained a stay of proceedings under the Bankruptcy and Insolvency Act. On March 17, 2005, a buying agent and importer to Saan Stores Ltd., filed a Statement of Claim in the Ontario Superior Court of Justice for $18-million against the Corporation and certain of its officers and directors. The buying agent and importer allege to have suffered damages by reason of wrongful and oppressive conduct. The supplier also alleges misrepresentation and breach of fiduciary duties. In a Decision released December 29, 2005, the Ontario Superior Court of Justice found that Ontario was not a convenient forum for the hearing of this matter. The buying agent and importer have commenced proceedings in the Manitoba Court of Queen's Bench. The Statement of Claim and the Statement of Defence have been filed and the Corporation has filed a Notice of Summary Judgment to have the claim dismissed.

On April 21, 2005, two suppliers to Saan Stores Ltd. served a Statement of Claim in Manitoba Court of Queen's Bench that named the Corporation and its directors as defendants, for $1.1-million and $1.3-million respectively for amounts said to be owed and unpaid by a former subsidiary of the Corporation. The suppliers also claim general damages and punitive damages, and damages arising from alleged misrepresentation and breach of fiduciary duties. On December 13, 2005, the Manitoba Court of Queen's Bench ordered that the law firm acting for the two suppliers be removed as solicitors of record for the plaintiffs in these proceedings. The two suppliers appealed the decision to the Manitoba Court of Appeal which subsequently upheld the lower court's decision. The claimant retained new lawyers. The Corporation filed a Statement of Defence on January 30, 2007.

On May 15, 2008, a Statement of Claim in the Ontario Superior Court of Justice was served by one of the landlords against the Corporation's subsidiary, Gendis Realty Inc., seeking $0.5-million in account of rent and occupancy charges at a location occupied by Saan Stores Ltd. A Statement of Defence has been filed.

The Corporation considers that these claims are without merit and accordingly, a provision for settlement has not been recorded. The Corporation is also involved in various other legal matters. The resolution of these other matters is not expected to have a material adverse effect on the Corporation's financial position, results of operations or cash flows.

(d) The Corporation has agreed to indemnify its current and former directors and officers to the extent permitted by law against any and all charges, costs, expenses amounts paid in settlement and damages incurred by the directors and officers as a result of any lawsuit or any other judicial, administrative or investigative proceeding in which the directors and officers are sued as result of their service. These indemnification claims will be subject to any statutory or other legal limitation period. The nature of such indemnification prevents the Corporation from making a reasonable estimate of the maximum potential amount it could be required to pay to counter parties. For claims for the period prior to January 31, 2005, the Corporation has $15-million in directors' and officers' liability insurance coverage. For claims for the period to January 31, 2005 to January 28, 2006, the Corporation has $1-million in directors' and officers' liability insurance coverage. For claims subsequent to January 28, 2006, the Corporation decided to self-insure.

CORPORATE & SHAREHOLDER INFORMATION

GENDIS INC. BOARD OF DIRECTORS

Albert D. Cohen, O.C., LL.D
President, Chief Executive Officer and Chairman
Gendis Inc.

James E. Cohen
Executive Vice-President
Gendis Inc.

Robert M. Chipman
Chairman
National Leasing Group

Jerry L. Gray, Ph. D
Dean Emeritus, I.H. Asper School of Business
University of Manitoba

Lawrence O. Pollard
Chairman
Pollard Banknote Limited

Gordon B. Webster, FCA
Corporate Director

GENDIS INC. CORPORATE OFFICERS

Albert D. Cohen, O.C., LL.D
President, Chief Executive Officer and Chairman

James E. Cohen
Executive Vice-President

N. Paul Cloutier
Vice-President, Secretary & General Counsel

Ernest B. Reinfort, CA
Vice-President, Finance & Comptroller

SHAREHOLDER INFORMATION

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R3B 0X6

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Exchange Listing
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Web site: www.gendis.ca